

Hipgnosis Songs Fund Limited (“Hipgnosis” or the “Company”)

Net Asset Values, C Share Conversion Ratio and Total Voting Rights

Further to the announcement on 13 January 2020, the Board of Hipgnosis Songs Fund Limited and its Investment Adviser, The Family (Music) Limited, are pleased to announce the ratio of the C Share conversion and updates to the unaudited NAVs of the Ordinary Shares and C Shares as at 10 January 2020.

Net Asset Values

The Operative NAV per Ordinary Share has decreased to 102.16p as a result of a strengthening of GBP / USD FX exchange rates by 7.5% since 30 September 2019 (from 1:1.220 to 1:1.311). On a constant currency basis, the Fair Value¹ of the Catalogues, as determined by an independent valuer, acquired since 30 September 2019 attributable to the Ordinary Shares have increased by 3% since acquisition. As no material royalty statements have been received since the publication of the interim results on 10 December 2019, the independent valuer has determined it appropriate not to re-value the Catalogues owned as at 30 September 2019. A full bridge of the movement is set out below.

Ordinary Share Operative NAV Bridge from 30 September 2019:

Opening Operative NAV per Ordinary Share	108.46p
Increase in Fair Value of Catalogues ¹	0.12p
Net income ²	1.24p
Dividends paid	-1.25p
FX impact	-6.40p
Closing Operative NAV per Ordinary Share	102.16p

The Operative NAV per C Share increased by 2.1% since its admission on 22 October 2019 to 100.08p. On a constant currency basis, the Fair Value¹ of the Catalogues attributable to the C Shares, as determined by an independent valuer, have increased by 2.5% since acquisition. A full bridge of the movement is set out below.

C Share Operative NAV Bridge from 22 October 2019:

Opening Operative NAV per C Share	98.00p
Increase in Fair Value of Catalogues ¹	2.13p
Net income ³	1.34p
Dividends paid	0.00p
FX impact	-1.39p
Closing Operative NAV per C Share	100.08p

The operative NAVs have been determined in accordance with the Company’s valuation policy described in the Prospectus, including the appointment of an independent third party valuer. The valuations are based on a discounted cash flow valuation to which a discount rate of 9% was applied.

Conversion ratio

The Conversion Ratio, as calculated in accordance with the terms set out in the articles of incorporation and as summarised in the Prospectus, is 0.9796 Ordinary Shares for each C Share which is held on the record date of 7 February 2020, which will be the last day for trading in the C Shares on the London Stock Exchange. The calculation of the Conversion Ratio is based on the net assets attributable to the Ordinary Shares and C Shares as at close of business on 10 January 2020, as described above. Entitlements will be rounded down to the nearest whole Ordinary Share.

On the basis of the Conversion Ratio, a holder of 1,000 C Shares will receive 979 new Ordinary Shares upon Conversion.

Applications have been made for 226,287,600 new Ordinary Shares to be admitted to the Premium segment of the London Stock Exchange's Main Market for listed securities ("Admission"). Admission is expected to occur at 8.00 a.m. on 10 February 2020.

The Ordinary Shares arising on Conversion will rank pari passu with, and will have the same rights as, the Ordinary Shares of the Company already in issue, including the right to receive dividends declared subsequent to Admission.

Total Voting Rights

Following the issuance of the new Ordinary Shares, the Company's total issued share capital will consist of 615,851,887 Ordinary Shares with one voting right per share. The Company does not hold any Ordinary Shares in Treasury. The above figure of 615,851,887 may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

Unless otherwise defined, capitalised terms in this announcement shall have the meaning given to them in the prospectus dated 27 September 2019.

¹ Including any right to income on acquisition of Catalogue

² Including exceptional costs of 0.17p per Ordinary Share relating to non-recurring legal and professional fees

³ Including exceptional costs of 0.15p per C Share relating to non-recurring legal and professional fees

Note: This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014 (MAR).

For further information, please contact:

The Family (Music) Limited

Merck Mercuriadis

Tel: +44 (0)1481 742742

N+1 Singer - Joint Corporate Broker

James Maxwell / James Moat (Corporate Finance)
Alan Geeves / James Waterlow / Sam Greatrex (Sales)

Tel: +44 (0)20 7496 3000

J.P. Morgan Cazenove - Joint Corporate Broker

William Simmonds / Ed Murray / Jérémie Birnbaum (Corporate Finance)
James Bouverat (Sales)

Tel: +44 (0)20 7742 4000

The Outside Organisation

Alan Edwards / Nick Caley

Tel: +44 (0)7711 081 843

NOTES TO EDITORS

About Hipgnosis Songs Fund Limited

(www.hipgnosissongs.com)

Hipgnosis, which was founded by Merck Mercuriadis, is a Guernsey registered investment company established to offer investors a pure-play exposure to songs and associated musical intellectual property rights. The Company has raised a total of over £625 million (gross equity capital) through its Initial Public Offering on 11 July 2018, and subsequent issues in April 2019, August 2019 and October 2019. In September 2019, Hipgnosis transferred its entire issued share capital to the Premium listing segment of the Official List of the FCA and to the London Stock Exchange's Premium segment of the Main Market.

About The Family (Music) Limited

The Company's Investment Adviser is The Family (Music) Limited, which was founded by Merck Mercuriadis, former manager of globally successful recording artists, such as Elton John, Guns N' Roses, Morrissey, Iron Maiden and Beyoncé, and hit songwriters such as Diane Warren, Justin Tranter and The-Dream, and former CEO of The Sanctuary Group plc. The Investment Adviser has assembled an Advisory Board of highly successful music industry experts which include award winning members of the artist, songwriter, publishing, legal, financial, recorded music and music management communities, all with in-depth knowledge of music publishing. Members of The Family (Music) Limited Advisory Board include Nile Rodgers, The-Dream, Giorgio Tuinfort, Starrah, Nick Jarjour, David Stewart, Bill Leibowitz, Ian Montone, and Jason Flom.